

## **ARKANSAS STATEWIDE HEALTH REFORM DEMONSTRATION FACT SHEET**

Last Revised March 15, 2006

<b>Name of Section 1115 Demonstration:</b>	ARKids B
<b>Date Proposal Submitted:</b>	May 13, 1997
<b>Date Proposal Approved:</b>	August 19, 1997
<b>Date of Implementation:</b>	September 1, 1997
<b>BBA Extension Approved:</b>	February 26, 2002
<b>BBA Expires</b>	September 30, 2005
<b>Date BIPA Extension Submitted</b>	May 31, 2005
<b>Date BIPA Approved</b>	September 30, 2005
<b>Date BIPA Expires</b>	September 30, 2008

### **SUMMARY**

On May 13, 1997, Arkansas submitted a proposal for “ARKids First”, a 5-year section 1115 Medicaid managed care demonstration project. On August 19, 1997, CMS approved Arkansas’ request, permitting the State to expand eligibility to currently uninsured children through age 18 with family income at or below 200 percent of the Federal Poverty Level (FPL) who are not eligible for Arkansas’ existing Medicaid program. The State implemented ARKids First (renamed ARKids B in August 2000) on September 1, 1997. It utilizes the same provider network as the traditional Medicaid program in Arkansas and operates as a primary care case management model. The current demonstration is authorized by section 1115(f) of the Act Benefits Improvement and Protection Act of 2000 (BIPA).

The Arkansas Department of Human Services allows applicants to choose between ARKids A (the State’s traditional Medicaid program) and ARKids B (the State’s Medicaid expansion program). ARKids B has less coverage and requires co-payments. Rather than State caseworkers mandating individuals into the most advantageous program based on income and resources, the State allows applicants to presently choose a program with less coverage and co-payments. The State was granted permission to allow this type of choice as part of the Section 1115 Medicaid demonstration project. The demonstration renewal under Balanced Budget Act contained a term and condition that the State must fully inform clients of the program differences before allowing applicants to make a disadvantageous choice. The State believes that many people consider ARKids B to be affordable insurance.

ARKids B expands eligibility to currently uninsured children through age 18 with family income at or below 200 percent of the Federal Poverty Level. The expansion covers approximately 70,000 children. The objectives of the 1115 demonstration are to integrate uninsured children

into the health care delivery system and to provide comprehensive health insurance program. Arkansas' existing 1915(b) waiver program, ConnectCare, is the health care delivery system for both ARKids A and ARKids B. It uses the same provider network as the traditional Medicaid program in Arkansas and operates as a primary care case management model.

ARKids B benefit package includes EPSDT screening and immunizations, but not all diagnostic and treatment services. The preventive health screens are provided according to the recommended EPSDT schedule by the American Pediatric Association and are available as covered physician services, subject to limitations in amount, duration and scope (that is, they are not provided as uncapped services through the EPSDT benefit). The mental health benefit does not cover inpatient mental health services provided by psychiatric hospitals. These services are covered if provided by an acute hospital. The following services are also excluded: non-emergency transportation, audiological services, hearing aids, occupational and physical therapies, targeted case management, end stage renal disease services, and approximately 15 other services included in the State's traditional Medicaid benefit package.

Co-payments apply for all services with the exception of immunizations, preventive health screenings, family planning and prenatal care. Co payments range from \$5 per prescription to 20% of the first day's hospital per diem. There is a \$10 co-payment for most outpatient services. The ARKids B program does not include premiums.

## **ELIGIBILITY**

Currently uninsured children through age 18 with family income at or below 200 percent of the Federal Poverty Level are eligible for ARKids B. An ARKids B applicant may not have had health insurance other than Medicaid in the preceding 6 months (unless the health insurance was lost through no fault of the applicant). There is no presumptive eligibility. Retroactive eligibility may be determined up to 3 months prior to application.

ARKids B participants must select a Primary Care Physician (PCP) at the time of application. If possible, this will be the individual's current physician. If no selection is made at the time of application, the County Office will contact the applicant and offer to mail them a list of PCPs appropriate to their location. Enrollees are entitled to change their PCP selection every 6 months, or at any time, without limitation, for good cause. ARKids B applicants receive all the educational materials provided to ConnectCare participants. In addition, an informational pamphlet is available at the application sites that describes the ARKids B program.

## **DELIVERY SYSTEM**

ARKids B operates as a fee-for-service, primary care case management model. It employs the ConnectCare provider network currently in place for the section 1915(b) program. ConnectCare PCPs practice in the following specialties: General Practice, Family Practice, Internal Medicine, Gynecology/Obstetrics and Pediatrics. If a newly-eligible individual already has an existing physician who practices in a non-PCP-qualified specialty, this individual must enroll with a PCP

and request a referral for the essential services their existing physician provides. The PCP will decide whether to make the referral. PCPs receive a \$3 per month case management fee for each Medicaid client enrolled with their practice. The Arkansas Medicaid Program assures that adequate physician access is available in all counties for the ARKids B participants.

### **BENEFITS**

ARKids B includes a reduced benefit package, modeled on the Arkansas State Employee and State Teacher plans. Among other exclusions, Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) screening and immunizations are provided, but not all diagnostic and treatment services. However, these services are available as covered physician services, subject to limitations in amount, duration and scope (that is, they are not provided as uncapped services through the EPSDT benefit). The mental health benefit does not cover inpatient mental health services provided by psychiatric hospitals. These services are covered if provided by an acute hospital. The following services are also excluded: non-emergency transportation, audiological services, hearing aids, occupational and physical therapies, targeted case management, End Stage Renal Disease services, and approximately 15 other services included in the State's traditional Medicaid benefit package.

### **QUALITY ASSURANCE**

The State assures quality of care to ConnectCare enrollees, including ARKids B participants, by several means. First, ConnectCare has established policies and procedures regarding continuity of care, disenrollment, and monitoring of accessibility. ConnectCare also maintains a 24-hour hotline to handle inquiries, complaints, or problems, and conducts periodic enrollee surveys. Secondly, the State's Surveillance and Utilization Review Subsystem (SURS) is used to identify aberrant PCP practices for education and potential sanction purposes. Finally, the State contracts with the Arkansas Foundation for Medical Care, Inc. (AFMC), a peer review organization (PRO). AFMC conducts periodic customer satisfaction surveys and clinical studies of the treatment patterns of PCPs on a random basis. Also, appropriate HEDIS standards are utilized to evaluate the performance and quality of the PCPs.

### **COST SHARING**

Co-payments apply for all services with the exception of immunizations, preventive health screenings, family planning and prenatal care. Co-payments range from \$5 per prescription to 20% of the first day's hospital per diem. There is a \$10 co payment for most outpatient services. The State notifies providers in writing that they may not refuse to provide services if the co-payment is not paid. The ARKids B program does not include premiums.

Beginning April 1, 2006 the State may not impose cost sharing, including co-payments that, in the aggregate, exceed five percent of a family's total income for the length of a child's eligibility period under the demonstration. The State must inform the enrollee's family in writing and orally, if appropriate, of their individual cumulative cost-sharing maximum amount at the time of

enrollment and reenrollment.

**STATE FUNDING SOURCE**

State Appropriation

**CMS CONTACT**

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